

INTERPRETING YOUR NEXT TAX BILL

The first quarter tax bills for fiscal year 2008 have been mailed. They are due August 1st.

The fiscal year 2008 is from July 1, 2007 to June 30, 2008. Tax bills are issued on a quarterly basis, due: August 1, November 1, February 1, and May 1.

The first two bills, mailed July 1st and October 1st, are *preliminary* bills and are based on the previous years tax plus an increase allowed according to Proposition 2 ½, debt exclusions and overrides. The actual tax rate is not determined until late November but we do know that approximately 4.3% in additional tax dollars must be raised over last year. This increase is comprised of the 2.5% allowed by state law and 1.8% for the recently approved override by Wellesley residents.

What does this mean to the individual taxpayer? If all the assessed values remained the same for all properties, a property owner would have to pay 4.3% increase in property taxes.

Following is an example of the change in taxes based on the levy increase applied to the median single-family assessment.

Median FY2007 assessed value	\$824,000
(x) FY2007 tax rate per \$1000 of value	\$8.87
Fiscal Year 2007 total taxes	\$7,309
(+) Projected Increase	4.30%
Estimated taxes for fiscal year 2008	\$7,623

The \$7,623 is used to calculate a preliminary tax payment for the first and second quarter. \$1,905.75 is due August 1, 2007 and \$1,905.75 is due November 1, 2007.

In November the fiscal year 2008 assessed values are finalized. The Board of Selectmen will vote on a tax rate that will cover all of the Town's fiscal year expenses as voted at the annual town meeting. (Total value of all property divided by the total taxes to be raised = tax rate)

The new tax rate is then applied against the new assessments to determine the actual taxes for each individual property. From the actual taxes we

subtract payments that were made August 1st and November 1st. The remainder of the taxes due is divided into the last two payments due February 1, 2008 and May 1, 2008.

When analyzing the total tax obligation from one year to the next be sure to look at the total. Do not multiple any single payment by four. Very seldom are the four payments all equal.

An override becomes a permanent addition to the Town's levy limit. Debt exclusion disappears after the debt is paid. Both overrides and debt exclusions are mechanisms that were put into place within Proposition 2½ and are ways for the Town to increase the annual levy limit by more than 2½%. Additional material on Proposition 2½, overrides, and debt exclusions is available in the assessors' office.